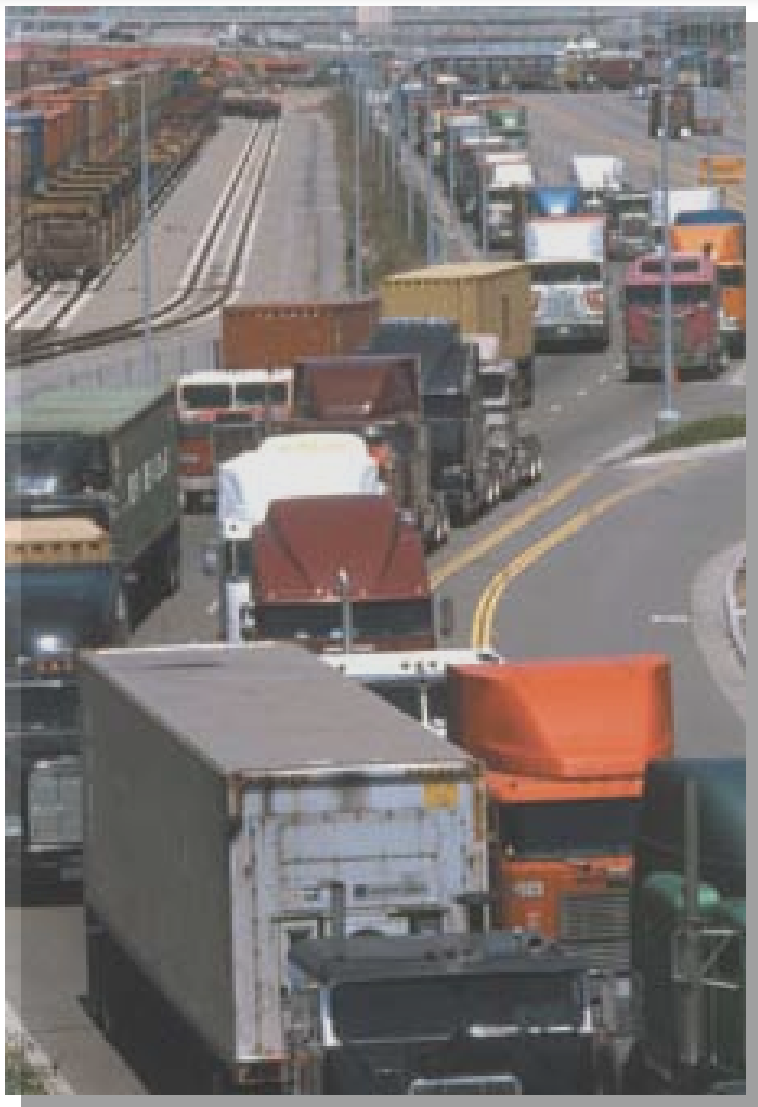


Transportation Accountability Commission



Jeff Keever
Deputy Executive Director
Virginia Port Authority
January 31, 2007

Transportation Accountability Commission



Transportation Accountability Commission



1. The Port of Virginia

The Port of Virginia Strategic Plan

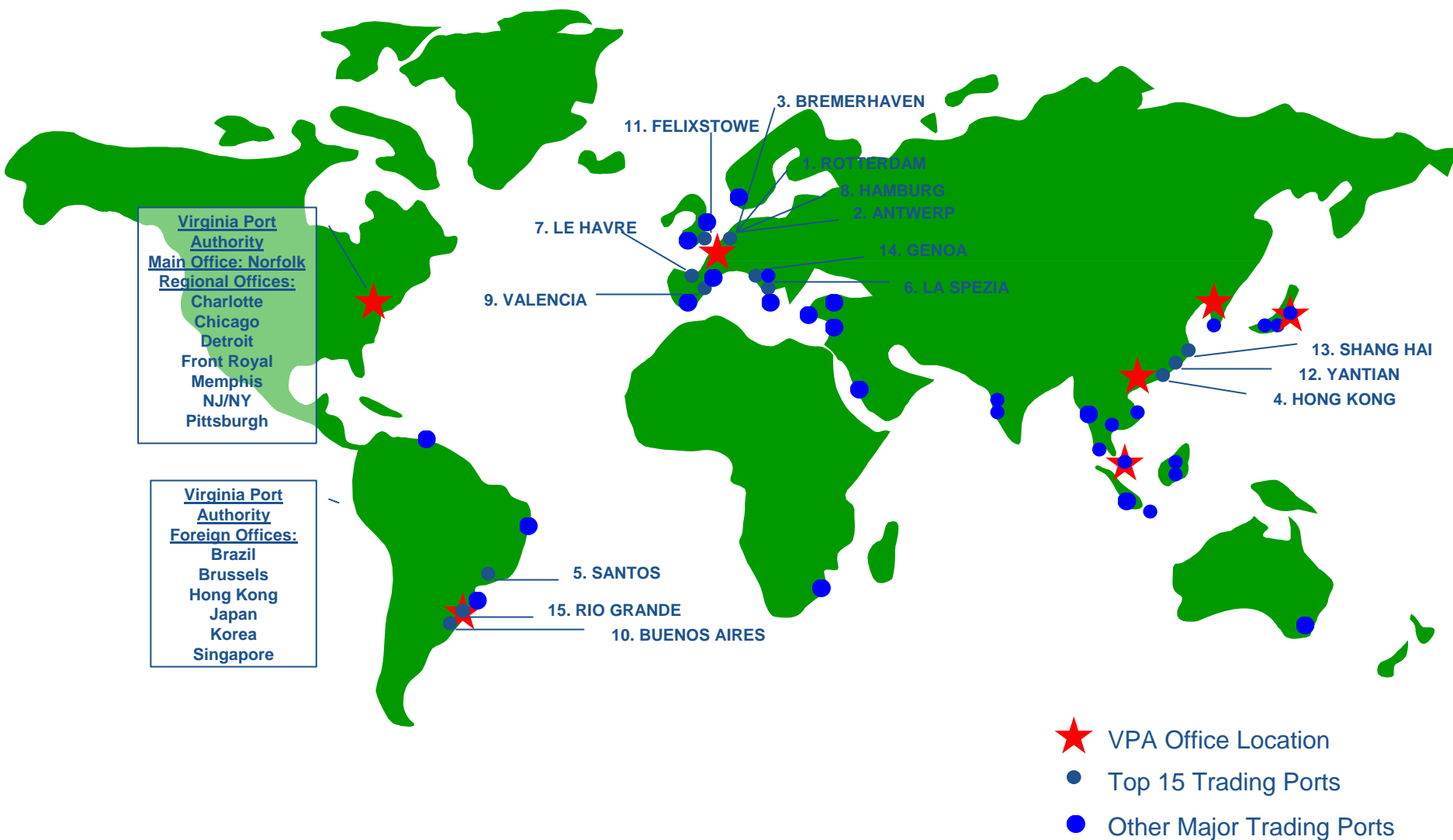
■ Agency Mission

- The Virginia Port Authority (VPA) shall foster and stimulate the commerce of the Ports of the Commonwealth, promote the shipment of goods and cargoes through the ports, secure necessary improvements of navigable tidal waters within the Commonwealth and, in general, perform any act or function which may be useful in developing, improving, or increasing the commerce, both foreign and domestic, of the Ports of the Commonwealth.

The Port of Virginia History

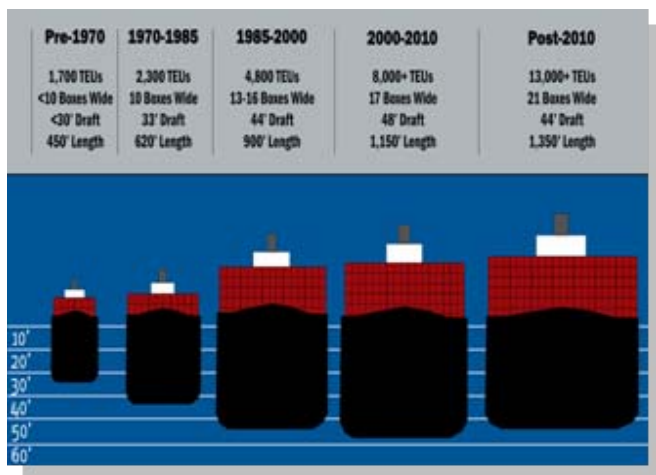
- Prior to 1971, seaport terminals were managed separately by individual Hampton Roads cities of Norfolk, Portsmouth, Newport News and Hampton
- Virginia Port Authority was created by an Act of the General Assembly and unified port operations
 - Portsmouth Marine Terminal (PMT)
 - Newport News Marine Terminal (NNMT)
 - Norfolk International Terminals (NIT)
- In 1989, the VPA developed the Virginia Inland Port (VIP) in order to bring Virginia Ports 220 miles closer to certain U.S. markets that were formerly captive to competing North Atlantic Ports
 - VIP has generated significant economic growth in areas surrounding the facility

The Port of Virginia Marketing



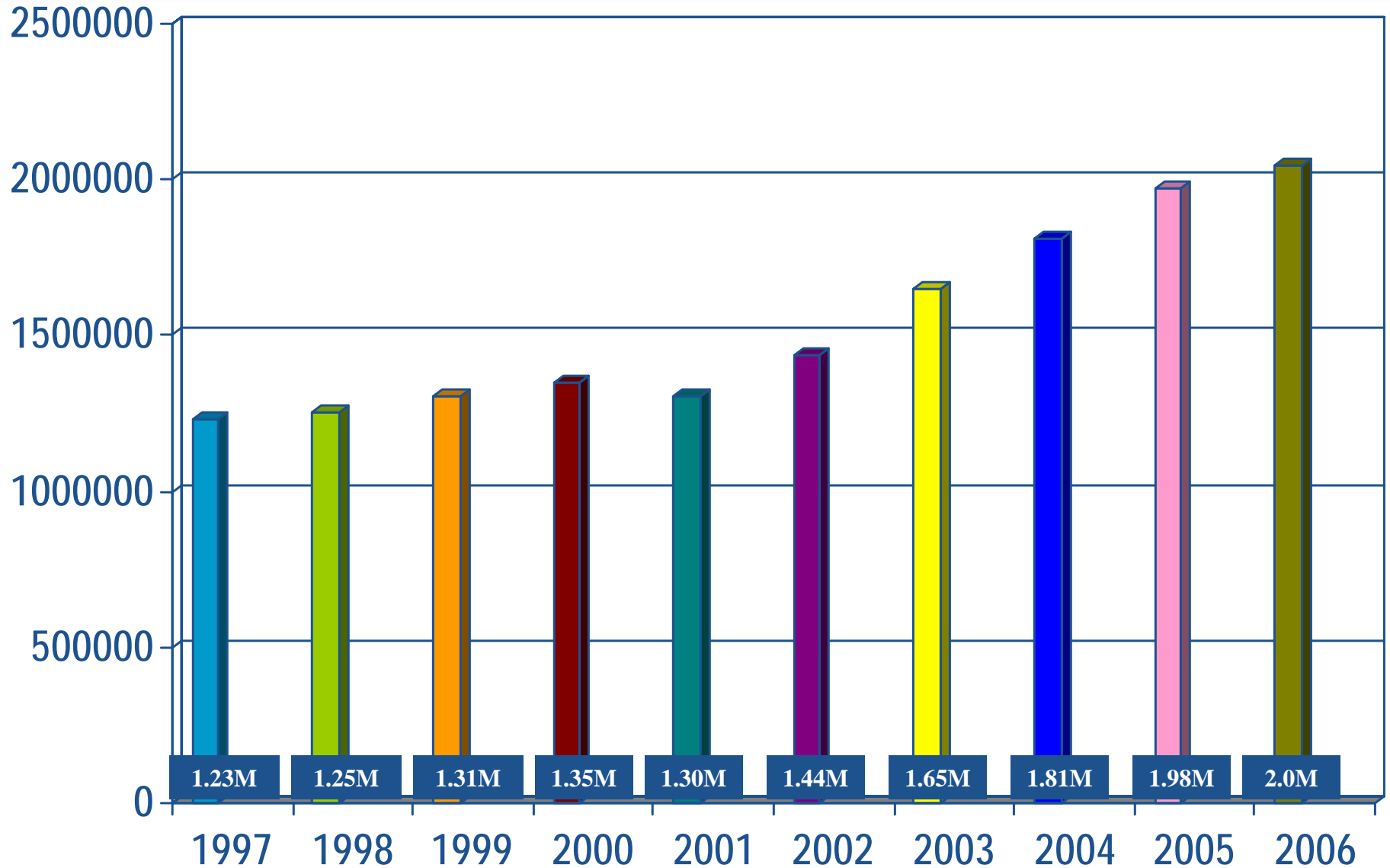
“Key” Objective – To increase the amount of goods and cargo shipped through the Port of Virginia

- Centrally located on the U.S. East Coast
- Served by more than 45 steamship lines
- TEU throughput had expanded from 1.232 million in FY1997 to 2.046 million in FY2006
- The Port of Virginia is now ranked 2nd busiest East Coast Port
- Deepest channels of any U.S. East Coast Port – 50 feet
- World-class shipping facilities, capable of handling large volumes of nearly every type of cargo
- Home to the World’s tallest and fastest container cranes



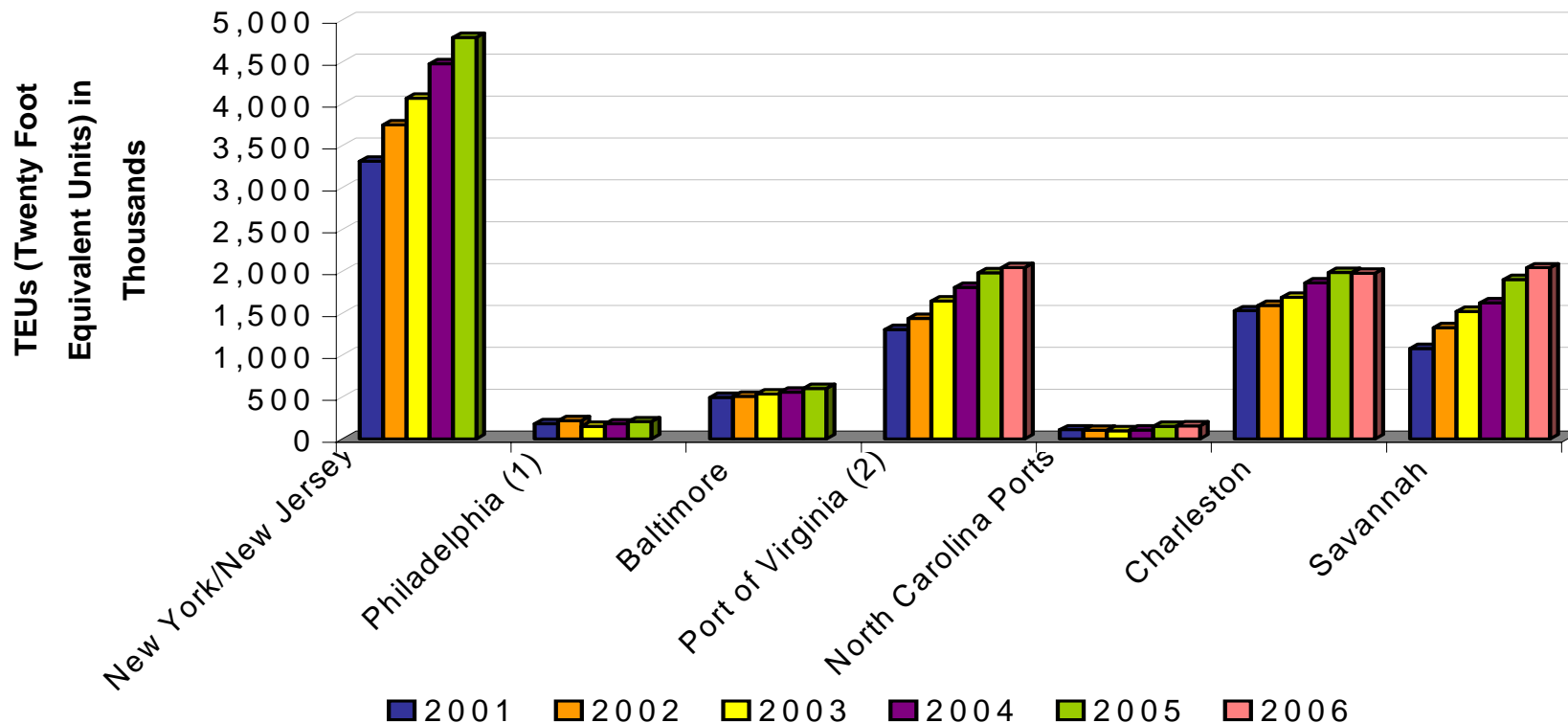
Port of VA Performance

Calendar Year
1997-2006



Major U.S. East Coast Ports

General Cargo and Container Statistics



(1) Does not include other Delaware River ports.

(2) The table includes data for all facilities that comprise the Port of Virginia, some of which are not owned by the Authority. The Authority believes that the VPA facilities handle in excess of 95% of the general cargo transported through the Port of Virginia.

Source: Terminal Operators' Statistics, and the American Association of Port Authorities. 2006 data not available for New York/New Jersey, Philadelphia and Baltimore.

10-year Contract Agreements with Shiplines

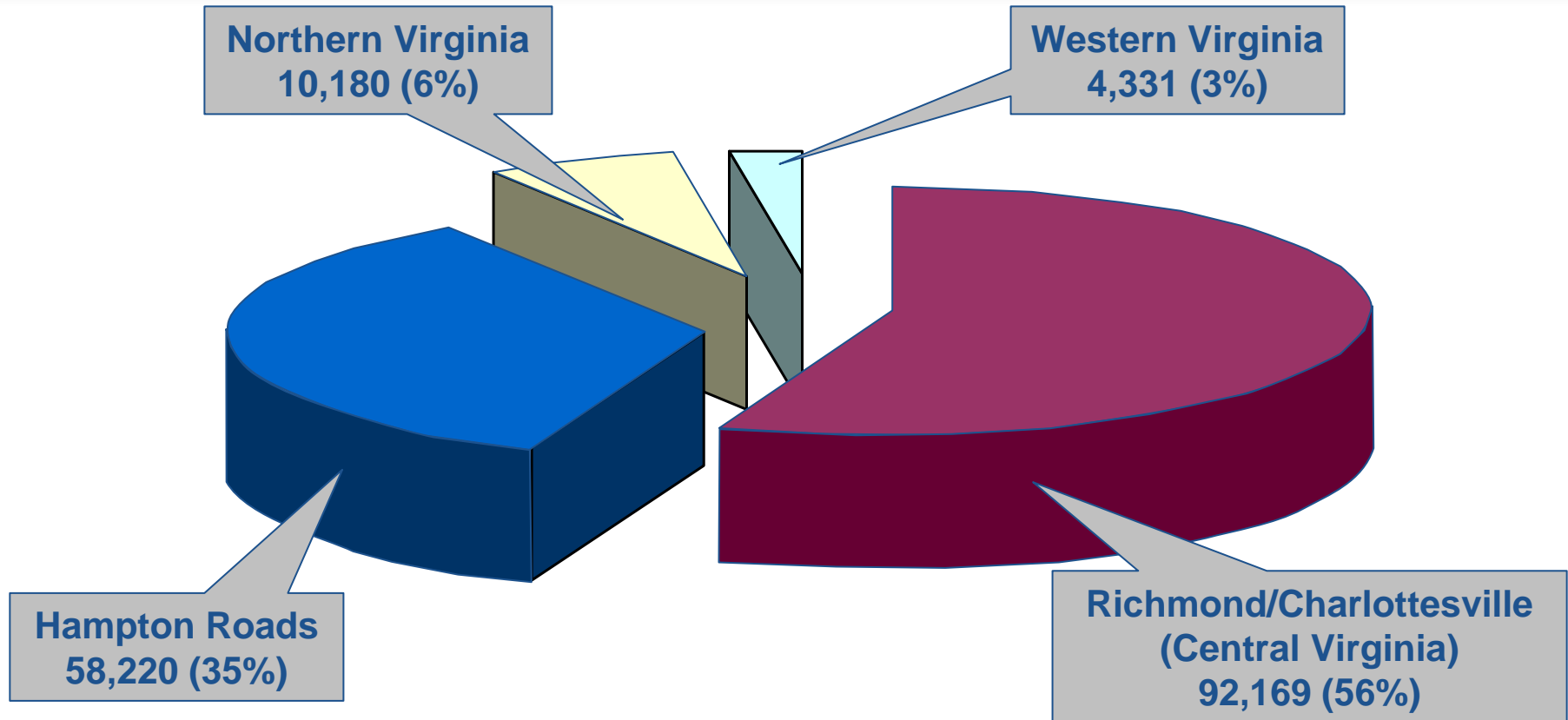
- New World Alliance
- Grand Alliance
- COSCO, Kline, Yang Ming
- China Shipping
- Turkon
- Mediterranean Shipping
- Atlantic Container Lines
- CMA-CGM
- Emirates

Transportation Accountability Commission

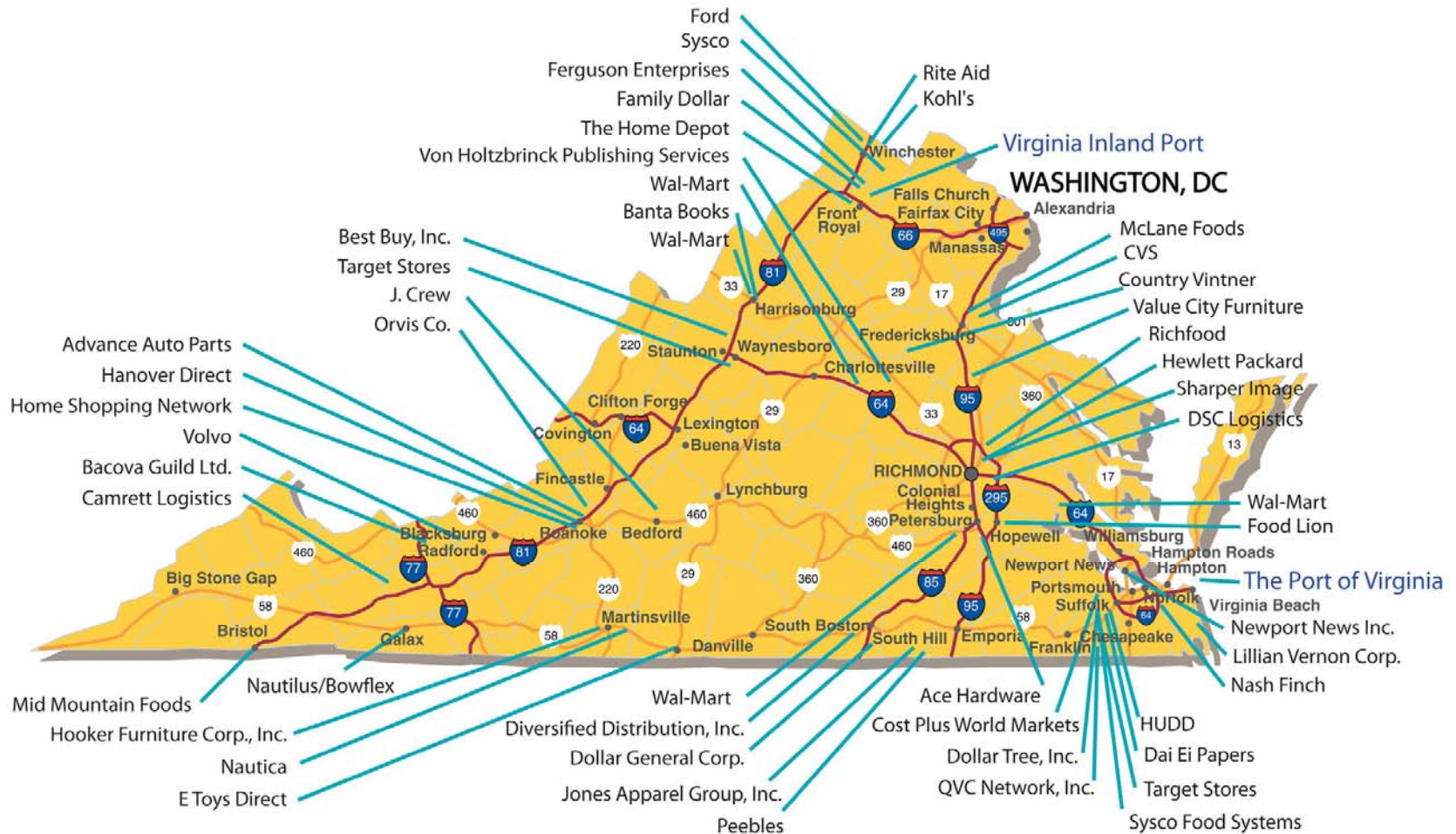


2. Economic Impact

“Key” Objective To enhance port-related businesses



Total Port-Generated Jobs = 164,900



Major Economic Development

- Wal*Mart Expansion – James City County
- Cost Plus Expansion – Isle of Wight County
- SYSCO Corp. new distribution center (DC) – Rockingham County
- Dollar General Expansion – Halifax County
- NYK Logistics - Hampton, VA
- Target Expansion – Suffolk, VA
- Evans Distribution new warehouse – Suffolk, VA
- Lumber Liquidators new DC – James City County

The Port of Virginia Trade Lanes

CY2005 General Cargo At Port of Virginia Facilities

TOP EXPORT REGIONS

	Short Tons (000)	% of Total
1. Europe	2,242	39.90%
2. Asia	1,771	31.50%
3. India	398	7.10%
4. Middle East	339	6.10%
5. Africa	212	3.80%
6. Caribbean/Central America	139	2.50%
7. Oceania	104	1.90%
8. North America	37	0.70%
TOTAL	5,615	100%

TOP IMPORT REGIONS

	Short Tons (000)	% of Total
1. Europe	4,051	42.30%
2. Asia	2,411	25.20%
3. India	558	5.80%
4. Caribbean/Central America	392	4.10%
5. Africa	196	2.00%
6. Middle East	173	1.80%
7. North America	108	1.10%
8. Oceania	95	1.00%
TOTAL	9,582	100.00%

Leading Export/Import General Cargo Commodities

	2001	2002	2003	2004	2005
EXPORTS					
Woodpulp	563,574	609,240	618,157	622,151	762,916
Wood	1,113,800	706,397	580,433	823,828	715,116
Paper/Paperboard	340,322	405,814	413,284	408,051	489,120
Machinery	255,404	266,738	263,892	308,014	344,996
Plastic	293,413	295,837	309,137	296,339	322,911
IMPORTS					
Machinery	483,020	607,112	675,578	774,534	863,628
Wood	383,922	599,957	555,722	674,324	598,579
Autos/Auto Parts	322,172	439,088	462,817	472,426	533,486
Beverages	357,356	387,771	443,829	478,541	524,914
Furniture/Bedding	211,370	302,322	443,506	506,807	520,085

Transportation Accountability Commission



3. Value of Investments at The Port of VA

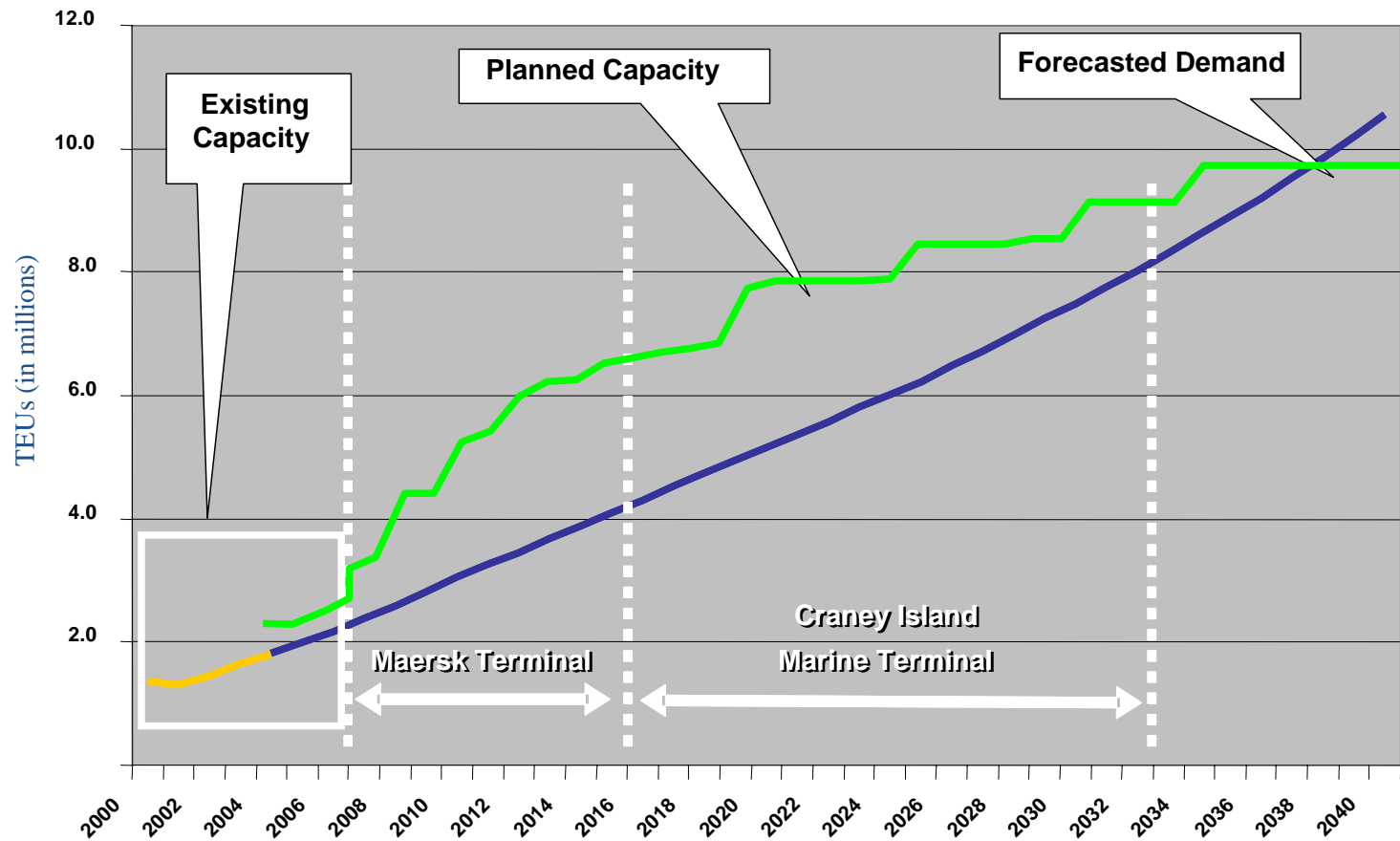
“Key” Objective – To enhance the cargo handling capability of the Port of Virginia

The 2040 Master Plan provides a guide for the repair, modernization, expansion, development and funding of the Port Facilities.

- The 2040 Plan addresses key challenges facing the Ports
 - Expected average growth of 4.1% per year
 - Need for expansion and modernization of existing terminals
 - Development of Craney Island Marine Terminal
 - Competition from new Maersk Terminal
 - Growth in vessel size
 - Age of existing facilities and container handling equipment
- Capital investment through 2032 of \$2.9 billion (inflated) is required to meet these challenges, maintain market share and realize growth opportunities

	Investment (Millions)	Time Span
NIT	\$ 467.2	2006-2030
PMT	160.0	2006-2024
NNMT	16.5	2008-2020
VIP	6.2	2009-2009
Craney Island	2,235.0	2006-2032
	<hr/> \$2,884.9 <hr/>	

Projected Cargo Demand & Planned Capacity

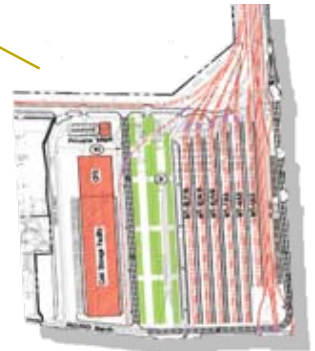


Source: Moffat and Nichol. Forecast numbers represent average increase over the forecast period.

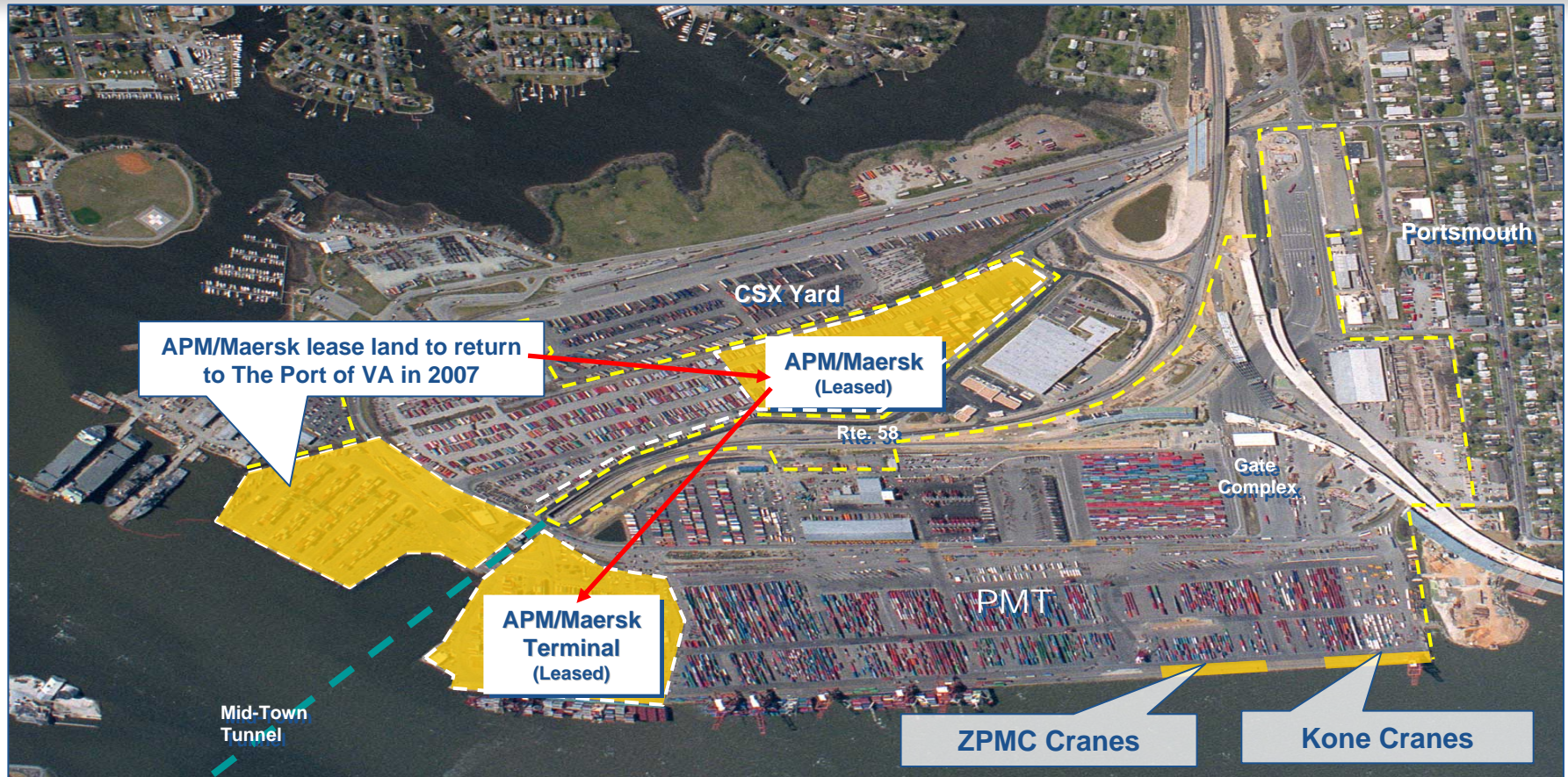
Norfolk International Terminals



\$467.2 million for container yard reconstruction, rail yard and container storage yard expansion, wharf extension and berth addition, dredging and crane acquisition



Portsmouth Marine Terminal



\$160 million for integration of currently leased Maersk facility, container yard and wharf rehab, gate/security capacity increase, new cranes and straddle carriers acquisition

Newport News Marine Terminal



\$16.5 million for warehouse construction, conversion to a break-bulk facility, increase gate/security capacity, acquisition of 18th Street Newport News Property

Virginia Inland Port



\$6.2 million for ICTF reconfiguration, straddle carrier acquisition and additional storage area development

Phase 1 – June 2017

Total Acreage: 220
Pier Length: 3000 ft.
Depth: 52 ft.
Cranes: 6
Capacity: 1.5M TEUs
Cost: \$1.2B

Phase 2 – June 2032

Total Acreage: 600
Pier Length: 8000 ft.
Depth: 52 ft.
Cranes: 15
Capacity: 5M TEUs
Cost: \$1.0B

Future Craney Island Marine Terminal



Craney Island Marine Terminal

- **\$2.2** billion construction cost, including \$400 million for dike and levee construction
- Feasibility study by the VPA and the U.S. Army Corps of Engineers completed
- Final Record of Decision and Chief's report October 2006
- Anticipated to be constructed in four separate phases
- Phase I includes two years for design, two years to construct levees, two years to fill and four years for terminal construction
- When complete will be able to handle 2.5 million TEUS per year



**At Build-Out, CIMT Will More Than Double
The Port's Capacity**

APM/Maersk Terminal



- **\$600** million Investment
- Open 2007 (Stage 1)
- Complete 2009
- Handle 2.1 million TEUs Per Year

The Heartland Corridor

Old tunnel opening
New tunnel opening

Profile of double-stack train cars

Chicago

Cleveland

Current Route
1,264 miles

Harrisburg

Columbus

New route
1,031 miles

Prichard

Roanoke

The Port of Virginia

Construction sites (some include up to four tunnels)

W. Va.

Number of tunnels, if more than one

Williamson

Welch, W. Va.

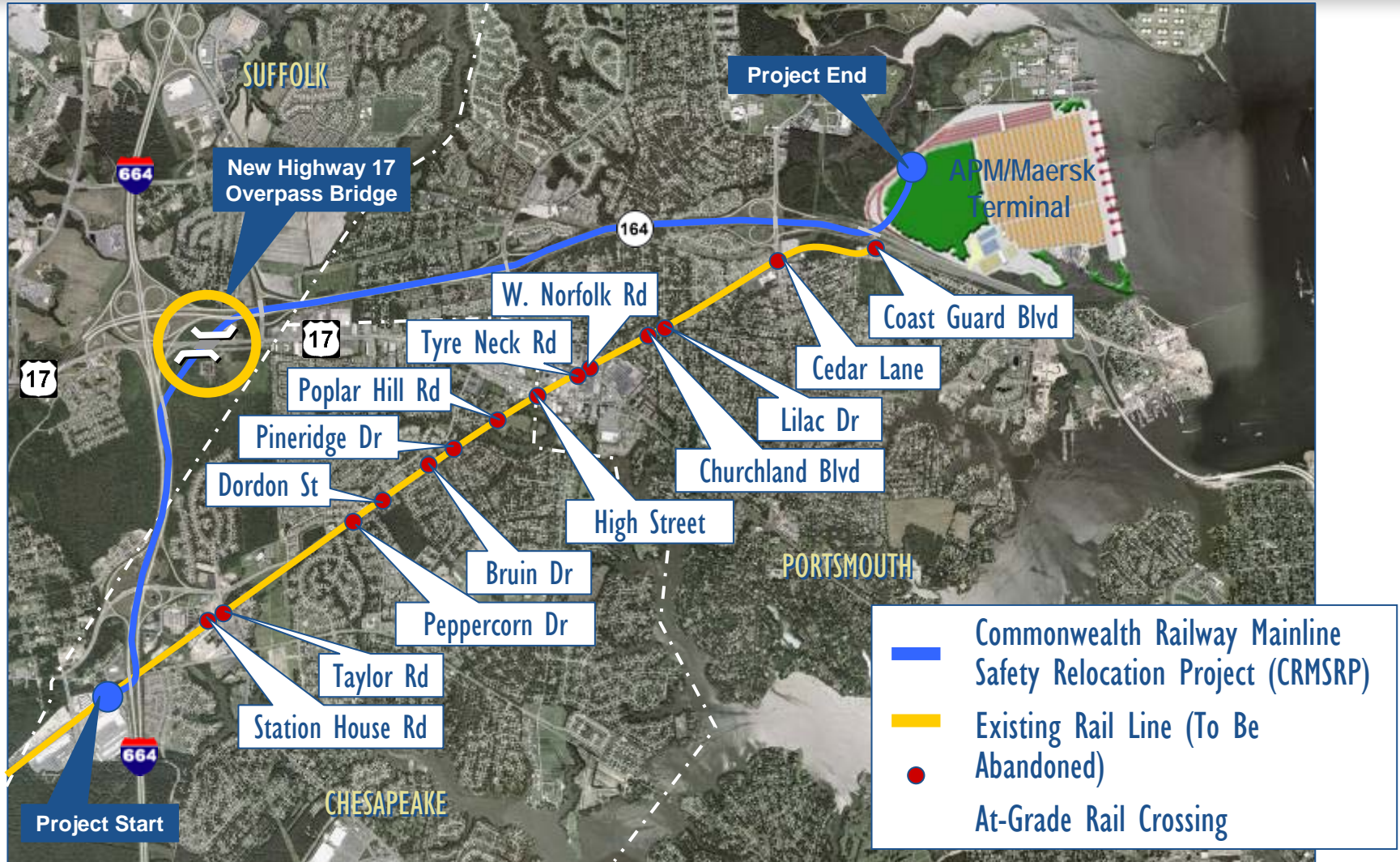
Ky.

Bluefield

Va.

New route will eliminate a half-day and more than 230 miles

Commonwealth Rail Relocation



Similar Median Rail Projects in Virginia



Route 76 (Powhite Parkway), Richmond



Route 60 & 143, Williamsburg

The Port of Virginia Contribution

The Port of Virginia	\$2.9 billion
APM Terminal	\$600 million
Heartland Corridor Project	\$309 million
TOTAL	

West Coast Congestion

